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DETERMINANTS OF INDIVIDUAL INVESTOR'S BEHAVIOUR IN FINANCIAL MARKET

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ABSTRACT

Traditional financial theory assumes that all investment related decisions are made taking into consideration risk and return in the mind of the investor. Reason, logic, and independent judgment are also argued to be motivators for people and their decisions. Behavioral finance, on the other side, ascertain, recognizes and verifies that emotions and herd instincts play a major role in investor decision-making. Individual investors, as opposed to institutional investors, are more susceptible to psychological influences when making investment decisions. These psychological biases, once coupled with low levels of financial literacy, can create havoc in the investment game. As a consequence, the conventional financial theory's argument about the stock market's performance is sometimes proven false.

Although finance has been studied for decades, behavioural finance is a relatively new field that looks at human behavior in the financial world. Behavioural finance theories are based on psychology and seek to explain how feelings and cognitive mistakes affect individual investor decisions.

The individual investor, because of their strong investments, plays a critical role in the stock market. Individual investors' activities cannot be ignored by stock market authorities. Many people are interested in investing because they will be able to participate in the decision-making process and see the results of their choices. Because investors' whims do not always yield fertile returns, not all investments will be profitable.

Recent research on individual investor behavior has shown that investors are not acting fairly. Many behavioural factors influence investors' investment decisions in the capital markets.

The purpose of this study is to review research studies and literature in order to gain a better understanding of key factors affecting investment behavior in various circumstances, as well as how these factors affect potential investors' risk tolerance and decision-making process.

Key Words: Investment behavior, Social, Psychological, Economic, Determinants, Cognitive Bias, Over-Confidence, Risk Perception, Investment Goals, Saving Orientation, Decision Influencers.

CHAPTER 1

INTRODUCTION

1.1 Introduction

The majority of financial theories assume that everyone is truthful and that everyone considers all available data before making a decision, which is not the case. We regularly encounter events in financial markets that are difficult to explain using traditional market theories.

During the 1980s, financial analysts started to consider the risk of certain market participants behaving less rationally. During the 1990s, the financial literature that uses psychological elements to characterize market participants' activities became a distinct research area known as Behavioral finance. The term "behavioral finance" refers to financial theories that are based on psychological principles. It is an attempt to comprehend how emotions and cognitive errors affect investor behavior. It focuses on how investors use data to make informed investment decisions.

It describes how people do not necessarily act rationally when making financial decisions, and how their choices lead to various financial decisions. The application of scientific research on psychological, social, and emotional contributions to market participants and changes in market prices is known as behavioural finance.

It also looks at the psychological and sociological influences that impact how people make financial decisions individually and in groups. A number of cognitive illusions influence human decision-making. Behavioral finance is a new field of study that has gained popularity in recent years. It's a relatively new and rapidly expanding field that capitalizes on irrational investor behavior. Our beliefs and attitudes, which do not satisfy the rationality criteria, influence all investment decisions to some degree.

Behavioural finance is concerned with irrational behavior that can affect market prices and investment decisions. Its goal is to better understand and demonstrate how investors' feelings and cognitive errors affect their decision-making. Behavioral finance elucidates the causes of market inefficiency by demonstrating the influence of psychology on human behavior. Its goal is to detect common investor behavioural biases as well as methods for overcoming them.

Individual investment decisions are important, but little is known about the factors that impact them. The decision-making process of individual investors when making financial investment decisions is often forgotten in finance studies.

To test the determinants of investor behavior and their impact on individual investors' financial decision-making processes, a behavioral framework is required. When it comes to making investment decisions, behavioral finance is concerned with how investors interpret and act on micro and macro data.

It highlights how an investor infers and acts on information in order to make investment decisions, as well as the fact that individuals do not always act rationally when making financial decisions, and that their practices cause them to make different choices. Furthermore, when it comes to making investment decisions, behavioural finance is consistent with how investors understand and capture data. It also keeps track of investor behavior, which can lead to market anomalies. It's a quickly growing field that studies financial professionals' psychological behavior.

1.2 Problem Statement/Research Gaps

To begin with, there are few research papers available on the topic of "Determinants that influence or impact investor behavior when investing in financial markets," which opens up a broad range of possibilities for research. Recognizing all of these determinants and considerations represented by an investor is therefore useful to investors in making proper investment decisions. Knowing the effective determinants will aid in gaining valuable insights into the financial markets, which will serve as a catalyst for investors pursuing their financial goals in the financial markets.

1.3 Rationale

Why do investors behave as they do? Investing behavior always defies logic and reason. Emotional processes, behavioral failures, and personality traits all complicate investment decisions and make it more difficult to grasp clients' decisions. If investment professionals neglect or fail to understand this component of decision-making, it can have a negative effect. A number of factors affecting the decision-making process characterize investor behavior. There are a variety of these variables, with some biases being proved as a result of herd instincts over trust, while others are shielded by various social, economic, psychological, and demographic factors. Recognizing all of an investor's prejudices is beneficial to proper investment. As a result, the aim of this research is to gain insight into investor behavior and to look at the different factors that influence individual investors' investment decisions.

CHAPTER 2

LITERATURE REVIEW

Nagy and Obenberger (1994) studies and went through the factors that influence investor behavior. They created a questionnaire with 34 questions in it. The findings of their research suggested that traditional wealth-maximization criteria are important to investors, though they use a variety of criteria when choosing stocks. Current concerns, such as the firm's environmental track record, domestic or international activities, and its ethical stance, appear to be given only cursory attention.

Family members, co-workers, individual stockbrokers, and brokerage houses all make recommendations that are largely ignored. When analysing stocks, most individual investors question the value of valuation models.

Kent et al. (2001) Investors often do not participate in all security and asset categories, (2) Individual investors exhibit loss-averse behavior, (3) Past performance is used as an indicator of future performance in stock purchase decisions by investors, (4) Investors trade too hostilely, and (5) Investors behave on a stock-by-stock basis.

Rajarajan V (1998, 2000 and 2003) the relationship between demographic factors and the investment personalities of investors was analysed. Factors like marital status, income, and education have been shown to affect a person's investment decisions. The findings also revealed that Indian investors have four distinct personalities: technological, cautious, informed, and casual.

Herrmann, Andrew. F. (2007) presented and discussed the estimation results, which supported the initial hypotheses about the roles of race and gender in investment preferences. The evidence pointed to major impacts with respect to race and gender, using multiple specifications and leveraging multiple risk/return measures.

Mittal M and Vyas (2008) investigated the link between demographic factors and the investment personalities of investors Evidence shows that a person's investment choices are influenced by factors such as marital status, income, and education. The results also found that there are four distinct personalities among Indian investors: technical, prudent, informed, and casual.

Kaleem, Wajid and Hussain (2009), In a study of factors influencing financial advisors' perceptions of portfolio management in Pakistan, researchers discovered that age, income, language, and educational orientation all play a role in determining an investor's investment style.

Saurab Singh (2009) stated Investors' investment decisions are not entirely based on market price movement and stability, according to the statement. His research has led to the inclusion of variables or characteristics such as family, education, age, sex, and the past performance of a company's securities, most of which have a significant influence and effect on an investor's investment decision-making process.

Singh, Sandhu, Kundu (2010) conducted a study to see if investors who used the Internet to trade stocks had different perceptions than non-adopters. Their findings revealed that demographic factors played a major role in classifying investors as Internet trading adopters or non-adopters. It was also discovered that non-businessmen, young, and novice investors were less likely to use Internet stock trading than mature, older, experienced, and businessmen investors.

Love D.A (2010) investigated the impact of demographic shocks on optimal savings, life insurance, and, most importantly, asset allocation decisions was studied, and it was discovered that marital status transition could have significant effects on optimal house hold decisions, especially in the cases of divorcees and widows. Divorce and widowhood have particularly strong impacts on allocations, according to the empirical evidence in this study, and these effects differ significantly depending on gender, age, and the number of children.

Shaikh and Kalkundrikar (2011) argued that a variety of demographic factors influence investors' investment decisions, including educational credentials, income level, market expertise, marital status, gender, age, gender, and the number of dependents.

Jain and Mandot, (2012) They conducted their study in Rajasthan and found that demographic factors influence investment decisions. They have different perspectives on decision-making; some are risk takers, while others are risk averse. Different people make different choices based on their marital status, occupation, experience, gender, income level, and age.

Tamilkodi, (1983) has stated that Small savings schemes have a psychological appeal and provide a safe haven for ordinary men, women, and even children's money. It affects a large number of people and encompasses a wide range of topics. She also recommended that some valuable efforts should be made to simplify the process for small savings schemes in order to meet the needs of illiterate and socially disadvantaged individuals. She also recommended that small savings schemes' interest rates be raised to meet commercial banks' challenges.

Statman (1988) According to studies, people trade for both cognitive and emotional reasons. People trade because they feel they have information when, in fact, they are only making noise and trading for the ecstasy and pride it brings them. They are proud of their trading choices when they are profitable, but they are disappointed when they are not profitable. Investors also make scapegoats of investment advisors, realize losses, and avoid stocks of businesses with a poor reputation in order to avoid the pain of regret.

According to Kent et al. (2001), **Barber and Odean (1999)** discovered According to studies, investors who have had the most trading success in the past will trade the most in the future. This indicator is consistent with self-attribution bias, implying that the investors have attributed their earlier achievement to skill rather than luck.

Hirshleifer (2001) argues that heuristic simplification, emotion-based judgments, and self-deception are all outgrowths of heuristic simplification, emotion-based judgments, and self-deception.

Kent, Hirshleifer and Subrahmanyan (2001) found the evidence for systemic cognitive errors made by investors and how these biases affect prices was discovered in their research.

Joseph.S.K and Francis.A Individual investment behavior is more irrational, according to the results of the study. Despite being pessimistic about the market's future prospects and aversion to risk, individual investors have a high level of involvement and overconfidence, according to the research.

According to the literature review stated above, there has been a significant amount of empirical research on investor behavior. Different findings were obtained for different regions due to differences in the number of factors investigated, the time period covered, the techniques used, and the field studied by various researchers. The current study is both a regional and a micro level investigation, with the goal of determining the determinants of individual investor activity in a single Region.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Objectives

The proposed study is aimed to achieve the following specified objectives:
1) To examine various investment opportunities in the field of financial investments.
2) To find out the determinants of investment conduct of an individual investor
3) To determine the impact of these determinants on individual investors' financial market investment behavior.

3.2 Research Design

A descriptive and exploratory research design will be used in the report. The descriptive study design can be used to collect primary data in order to check and evaluate the information needed for the analysis using the requested questionnaire.

Different authors would use the exploratory research design to investigate the field of study and develop an understanding by using available research papers, magazines, articles, and other resources, as well as determining the tests they conducted during their study of the topic.

3.3 Data Collection Technique

Because the analysis employs a descriptive research design, the main method of data collection would be through the use of a questionnaire as a medium. The questionnaires will be designed with the respondents' level of knowledge about the study subject in mind. Secondary data can be used for exploratory research design of the other model by going through the available academic papers, magazines, and articles.

3.4 Sampling Technique

The sample size of 260 is taken in the study. The portal for responses was kept open for a time period of 72 hours. The sampling design that will be used is “non-random probability sampling technique” since it is not possible to quantify the chances of any respondent being selected for this study and the data collection area will be mainly concentrated in India.

3.5 Data Analysis Technique

By using the questionnaire, the data will be gathered such that the data will be in the form of a percentage and a graphical form. The goal was 200+ responses, and it was smoothly achieved. The questionnaire to be used will include close-ended questions and evaluate the data to be obtained using tools such as SPSS and hypothesis testing that make the outcome more specific. It will be accomplished based on the collected data results and the creation of more hypotheses in order to conduct assessments and analyses.

3.6 Analytical Tools Used

Business analytical tools are a set of methods for retrieving data from a source and then analysing a specific problem using the data gathered. These tools assist the researcher or user in gaining a comprehensive understanding of the subject/topic and the relationship between two or more variables in the study.

Applications that retrieve data from one or more business processes are known as business analytics tool and combine it in a repository, such as a data warehouse, for review and analysis. Most businesses use a variety of analytics tools, including spreadsheets with statistical capabilities, statistical software bundles, advanced data mining tools, and predictive modelling software. When these business analytics tools are combined, they provide a holistic view of the organization, allowing for key insights and understanding of the business, as well as better decisions about business operations, consumer conversions, and more.

Tools used for the study are as following

A. Descriptive Statistics - The process of using and analysing descriptive statistics, which is a summary statistic that quantitatively reflects or summarizes features from a set of data, is known as descriptive statistics. They provide quick summaries of the sample and the metrics. They are the foundation of virtually all quantitative data analysis, along with simple graphics analysis. Inferential statistics are also distinguished from descriptive statistics. When you use descriptive statistics, you're simply explaining what the data is or shows. When using inferential statistics, you're attempting to draw conclusions that go beyond the data at hand.

B. Chi Square Test – The chi-squared test, is a statistical hypothesis test that is accurate when the test statistic is chi-squared distributed under the null hypothesis. Pearson's chi-squared test and variations are included. Pearson's chi-squared test is used to determine if there is a statistically reasonable difference between the predicted and observed frequencies in one or more categories of a contingency table.

C. Cross tabulation – Cross tabulation is a tool for quantitatively analysing the relationship between different variables. Cross tabulation, also known as contingency tables or cross tabs, is the grouping of variables to describe their relationship. It also shows how correlations change as you go from one variable grouping to the next.

D. Correlation - A correlation is a statistical measure of how closely two variables are related. The measurement is best used in variables that show a linear relationship. In a scatterplot, the fit of the information can be shown visually. We can usually evaluate the link between the variables with a scatterplot and determine whether or not it is correlated.

E. One Way Annova - One-way analysis of variance is a statistical method for comparing the means of two or more samples.

CHAPTER 4

DATA ANALYSIS

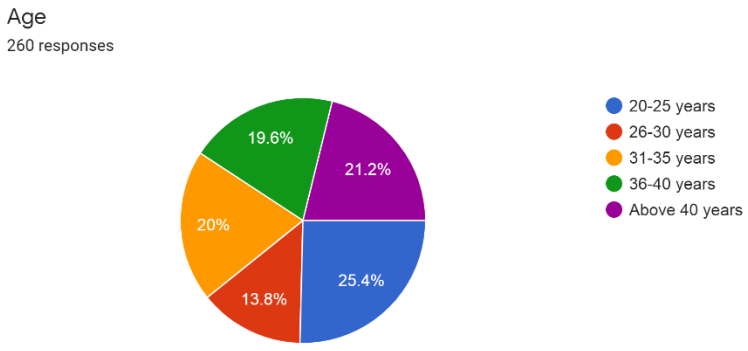
The data for this study was gathered through a questionnaire survey. The current study's questionnaire is divided into two sections: personal information and different factors affecting investment decisions.

The first part of the questionnaire is regarding the demographic background of the respondents. Talking about the second and the last part of the instrument it is behavioral factors influencing investment decisions. For this section, Individual investors were asked to estimate the level of agreement with the effects of behavioral factors on their investment decision using a 5-point Likert scale, which is a rating scale commonly used for asking respondents' views and attitudes. Strongly disagree, disagree, Neutral, agree, and strongly agree are the five points on the scale, which range from 1 to 5.

SPSS is used to process and analyze the data gathered for this study. The data is cleaned primarily by deleting questionnaires that are of poor quality, such as those with too many missing values or bias ratings. Second, the data was separated into two categories: demographics and behavioral influences on investment decisions. Each item is coded and entered into the system. Descriptive Statistics and the Chi Square Test are two statistical methods that are used to analyze data in order to achieve the research goals.

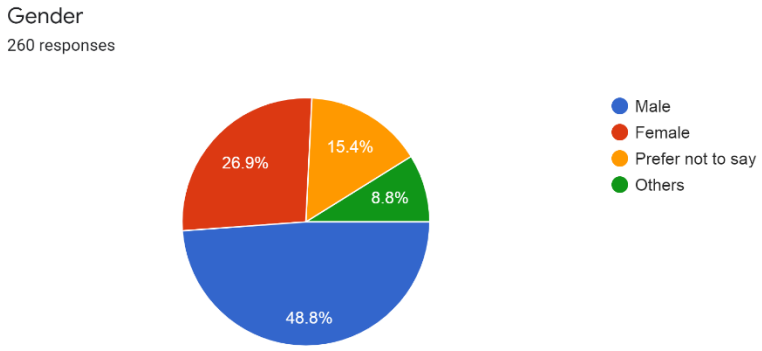
1.1 Descriptive Statistics

1) AGE



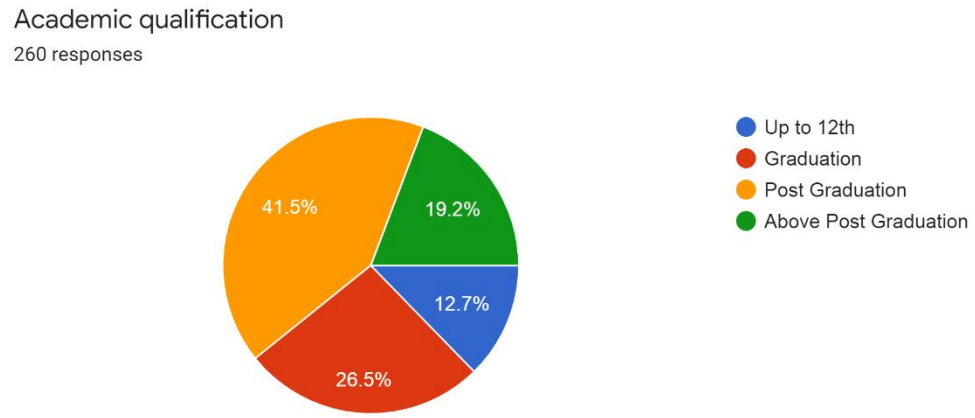
The respondents belong to different age group, out of 260 respondents It is evident from the Pie-chart displayed above that The respondents belong to different age group, out of 260 respondents 25.4% fall in age group reflecting 20-25 years followed by the age group of above 40 consisting of 21.2%, 31-35 years covering 20%.

2) GENDER



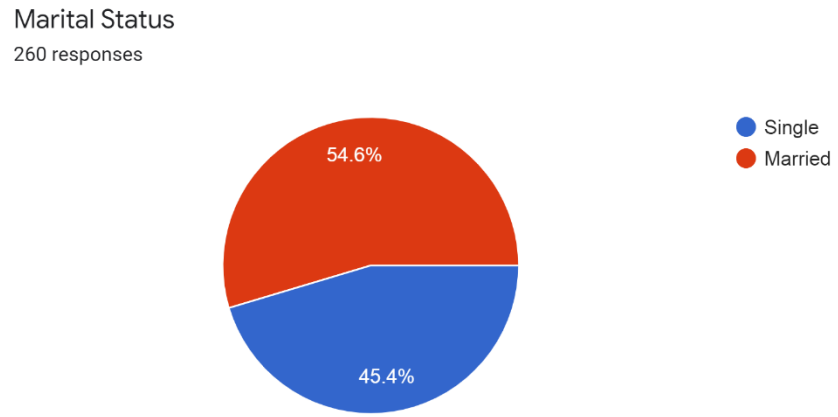
The Diagram displayed above exhibits the categories of responses collected in context of Gender in the total sample of 260 respondents. Out of 260, the total number of male respondents is 127 while the female respondents are 70 in number. The respondents i.e. the investors mainly comprises of the males which covers 49% of the sample size.

3) ACADEMIC QUALIFICATION



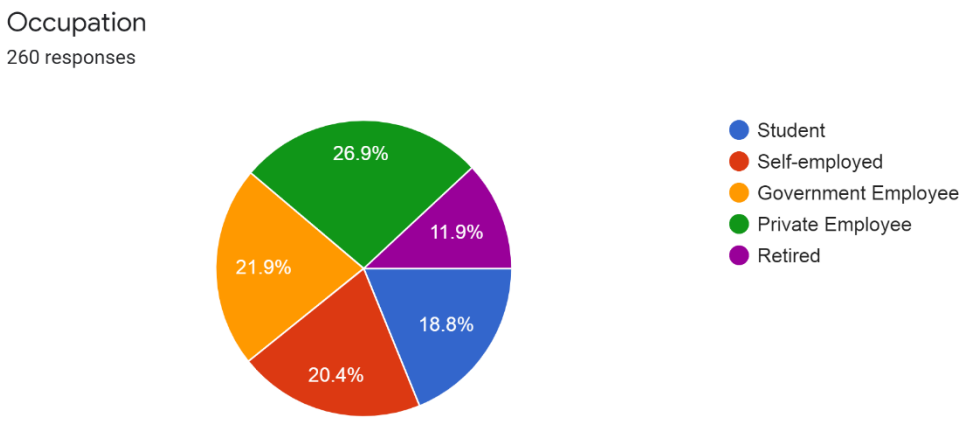
To gauge the level of education level of the respondents which may have a bearing on their investment behavior, respondents are divided into four categories: upto 12th standard, graduation, post-graduation and above post-graduation. Post Graduates consists the majority i.e. 41.5% of the total respondents followed by the Graduates which is 26.5%. Respondents whose qualification is up to 12th standard comprises 12.7% of the total respondents and above post-graduates are only 19.2%

4) MARITAL STATUS



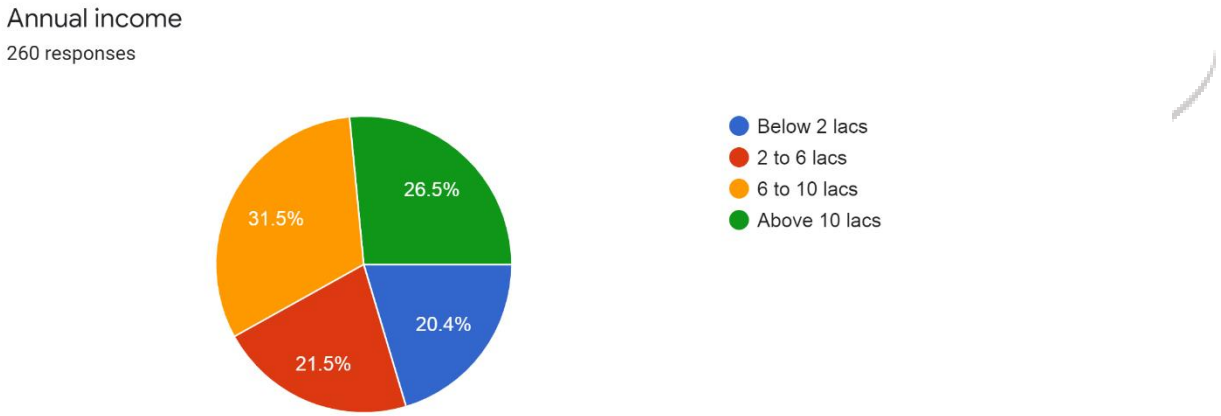
The marital status of the sample respondents is correspondingly shown in the pie chart above. Out of 260 respondents, 142 are married while 118 have marked themselves as single.

5) OCCUPATION



Respondents were asked to mention/provide with the information about their current occupations which was categorized into: Student; Self-employed; Govt. employee; Private employee; Unemployed; Retired as shown in the chart above. The maximum proportion was of private employee who were 26.9% of the total respondents while the portion of retired one was the lowest at 11.9%

6) ANNUAL INCOME



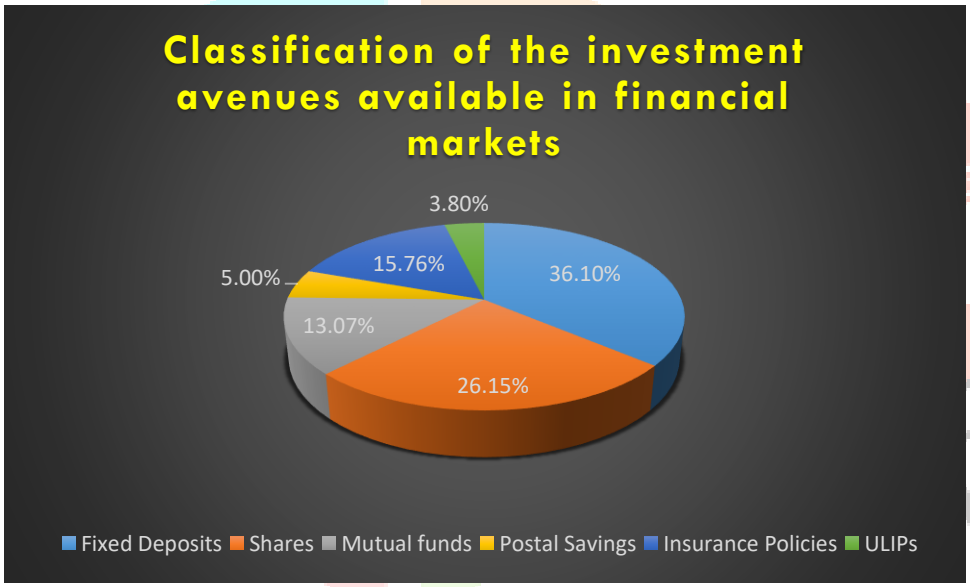
It is believed that income and savings move almost proportionately. The information regarding the income level was grouped in four categories: ₹200,000 and less; ₹200,000 to ₹600,000; ₹600,000 to ₹10,00,000; and above ₹10,00,000.

1.2 Classification of the investment avenues available in financial markets

One of the prime goal/objective of this study is to seek out and analyze various investment avenues that are available here. Fixed deposits, Shares, Mutual Funds, Postal Savings, Insurance Policies and ULIPS are the most financial asset classes won't to gauge the investor behavior. Detailed information is included in Table below. A majority of the respondents owned fixed deposits (36.1%). some respondents indicated that that they had investments in shares (26.15%) and mutual funds (13.07%). 15.76% of the respondents reported that they need invested in insurance policies and while for postal savings it had been 5%. For ULIPs it had been rock bottom at 3.8%. Fixed deposits are seen because the most convenient and reliable avenue of investment by the individual investors. This means that the investors are more concerned about the security and don't want risk to be involved within the investment. Shares is that the second most preferred alternative of investment by the individual investors. It's observed that the investors have tried their hands on the shares involving risk to possess substantial capital gains and liquidity at their disposal. Now-a-days, open-end fund is gaining a big position within the market taking safety into consideration and for the aim of maximizing returns. Insurance

Policies too are a really propriety of investment also as security. The investment consideration in insurance policies includes safety, liquidity and adaptability. Hence insurance policies is additionally given importance within the portfolio. ULIPS remains the smallest amount preferred alternative amongst all the others taken into consideration for this study.

ASSET CLASSIFICATION	RESPONSES	PERCENTAGE
Fixed Deposits	94	36.10%
Shares	68	26.15%
Mutual funds	34	13.07%
Postal Savings	13	5.00%
Insurance Policies	41	15.76%
ULIPs	10	3.80%
TOTAL	**260**	**100.00%**



1.3 Impact of Determinants on Investment Behavior

ONE WAY ANNOVA

Hypothesis 1

Ho: Cognitive bias affect the decision making of investors

H1: Cognitive Bias doesn't affect the decision making of investors

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
I remain calm and rational, when a sudden and unexpected negative change in market is experienced	Between Groups	38.706	3	12.902	6.790	<.001
	Within Groups	486.447	256	1.900		
	Total	525.154	259			
My biggest fear about investing is losing money.	Between Groups	24.261	3	8.087	4.371	.005
	Within Groups	473.585	256	1.850		
	Total	497.846	259			

As significance value or the P value is more than .05 in most of the cases so we reject alternate hypothesis (H1) and accept Null Hypothesis (Ho).
As we can see in the above table Cognitive bias impacts the decision making of investors.

Hypothesis 2

Ho: Over-confidence bias affect the decision making of investors

H1: Over-confidence bias doesn't affect the decision making of investors

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
When there are steep downfall in the market, I presume it will recover shortly.	Between Groups	32.811	3	10.937	6.959	<.001
	Within Groups	402.327	256	1.572		
	Total	435.138	259			
When there are profits, I attribute it to professional help.	Between Groups	25.590	3	8.530	5.794	<.001
	Within Groups	376.914	256	1.472		
	Total	402.504	259			

As significance value or the P value is more than .05 in most of the cases so we reject alternate hypothesis (H1) and accept Null Hypothesis (Ho).
As we can see in the above table overconfidence bias impacts the decision making of investors.

Hypothesis 3

Ho: Investment Goals affect the decision making of investors

H1: Investment Goals doesn't affect the decision making of investors

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
The foremost objective of my investment is to have a steady income	Between Groups	19.260	3	6.420	3.570	.015
	Within Groups	460.351	256	1.798		
	Total	479.612	259			
Good Return is what I consider to be of utmost importance	Between Groups	31.740	3	10.580	5.674	<.001
	Within Groups	477.322	256	1.865		
	Total	509.062	259			
I look for Capital Appreciation while taking an investment decision	Between Groups	38.705	3	12.902	7.726	<.001
	Within Groups	427.510	256	1.670		
	Total	466.215	259			

As significance value or the P value is more than .05 in most of the cases so we reject alternate hypothesis (H1) and accept Null Hypothesis (Ho).
As we can see in the above table that Investment Goals impacts the decision making of investors.

CHI-SQUARE TEST & CORRELATION

Hypothesis 1

Ho: There is a relation between Gender and Loss Aversion factor
H1: There is no relation between Gender and Loss Aversion Factor
(Gender of respondents * My risk averse behavior is more than my risk appetite)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.884[a]	12	.069
Likelihood Ratio	22.163	12	.036
Linear-by-Linear Association	16.079	1	<.001
N of Valid Cases	260		

a. 3 cells (15.0%) have expected count less than 5. The minimum expected count is 2.48.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	-.249	.055	-4.132	<.001[c]
Ordinal by Ordinal	Spearman Correlation	-.247	.058	-4.103	<.001[c]
N of Valid Cases		260			

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.
c. Based on normal approximation.

As P value > .05, we reject H1 and accept Ho. The P value is .069 > .05, this shows that there is relation between gender and Loss Aversion bias factor.

Hypothesis 2

Ho: There is a relation between Age and Cognitive bias factor
H1: There is no relation between Age and Cognitive bias Factor
(Age * for me Fund Reputation or Brand name is of vital importance while investing)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	20.694[a]	16	.191
Likelihood Ratio	21.433	16	.162
Linear-by-Linear Association	.298	1	.585
N of Valid Cases	260		

a. 1 cells (4.0%) have expected count less than 5. The minimum expected count is 3.60.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	-.034	.063	-.546	.586[c]
Ordinal by Ordinal	Spearman Correlation	-.023	.064	-.374	.709[c]
N of Valid Cases		260			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

As P value > .05, we reject H1 and accept Ho. The P value is .191 > .05, this shows that there is relation between age and Cognitive bias Factor.

Hypothesis 3

Ho: There is a relation between Marital Status and Decision influencing factor
H1: There is no relation between Marital Status and Decision influencing Factor
(Marital Status * I do not consider Street Talk / Rumours for taking any financial decision)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.941[a]	4	.204
Likelihood Ratio	5.975	4	.201
Linear-by-Linear Association	2.883	1	.090
N of Valid Cases	260		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.98.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	-.106	.062	-1.704	.090[c]
Ordinal by Ordinal	Spearman Correlation	-.107	.062	-1.731	.085[c]
N of Valid Cases		260			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

As P value > .05, we reject H1 and accept Ho. The P value is .204 > .05, this shows that there is relation between Marital Status and Decision influencing factor

Hypothesis 4

Ho: There is a relation between Occupation and Investment Goals
H1: There is no relation between Occupation and Investment Goals
(Occupation * the foremost objective of my investment is to have a steady income)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	26.558[a]	16	.047
Likelihood Ratio	27.645	16	.035
Linear-by-Linear Association	.075	1	.785
N of Valid Cases	260		

a. 2 cells (8.0%) have expected count less than 5. The minimum expected count is 4.41.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	.017	.064	.273	.785[c]
Ordinal by Ordinal	Spearman Correlation	.028	.065	.445	.657[c]
N of Valid Cases		260			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

As P value < .05, we reject H0 and accept H1. The P value is .407 < .05, this shows that there is no relation between Occupation and Investment Goals

Hypothesis 5

Ho: There is a relation between Annual Income and Risk Perception Factor
H1: There is no relation between Annual Income and Risk Perception Factor
(Annual Income * my biggest fear about investing is losing money)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	33.979[a]	16	.005
Likelihood Ratio	36.554	16	.002
Linear-by-Linear Association	.429	1	.513
N of Valid Cases	260		

a. 1 cells (4.0%) have expected count less than 5. The minimum expected count is 4.17.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	.041	.064	.654	.514[c]
Ordinal by Ordinal	Spearman Correlation	.044	.065	.710	.479[c]
N of Valid Cases		260			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

As P value >= .05, we reject H1 and accept Ho. The P value is .05 = .05, this shows that there is relation between Annual Income and Risk Perception Factor

Hypothesis 6

Ho: There is a relation between Academic qualification and saving orientation
H1: There is no relation between Academic qualification and saving orientation
(Academic qualification * I look for Capital Appreciation while taking an investment decision)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.781[a]	12	.315
Likelihood Ratio	13.767	12	.316
Linear-by-Linear Association	1.406	1	.236
N of Valid Cases	260		

a. 1 cells (5.0%) have expected count less than 5. The minimum expected count is 3.68.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	.074	.065	1.187	.236[c]
Ordinal by Ordinal	Spearman Correlation	.060	.065	.970	.333[c]
N of Valid Cases		260			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

As P value >= .05, we reject H1 and accept Ho. The P value is .05 = .05, this shows that there is relation between Academic qualification and saving orientation

RESULTS

1) One way Annova

S. NO	FACTOR	BASE	EFFECT
1	Cognitive bias	Decision Making	Relation exist
2	Over Confidence bias	Decision Making	Relation exist
3	Investment Goals	Decision Making	Relation exist

2) Chi Square test

S. NO	DETERMINANT	BASE	P VALUE	EFFECT
1	Loss Aversion Bias	Gender	0.069	Relation exist
2	Cognitive bias	Age	0.191	Relation exist
3	Decision influencing factor	Marital Status	0.204	Relation exist
4	Investment Goals	Occupation	0.047	No relation
5	Risk Perception Factor	Annual Income	0.05	Relation exist
6	saving orientation	Academic qualification	0.315	Relation exist

CHAPTER 5
CONCLUSION

The various goals of this research investigation were laid out, including the identification of investment avenues, the identification of determinants of investment behavior, and the impact of these determinants on investors' investment decisions, all of which were thoroughly examined and tested. To begin, a comprehensive review of the literature on the topic was conducted in order to identify investment avenues and determinants of investing behavior. Shares, fixed deposits, mutual funds, postal savings, insurance policies, and ULIPS are among the investment options listed and considered for this research. These are the most prevalent and widely used avenues in the financial markets.

The determinants of investment behavior are based on investment theories and include a variety of variables that influence investors' investment decisions, such as legal, economic, and psychological factors. The literature review also reveals that an investor's demographics influence their investing behavior.
The study's main aim was to see how much these determinants influence individual investors' investment decisions. The findings show that the dimensions of investment goals, cognitive bias, and saving orientation are greatly associated with investment behavior, while decision influencers, overconfidence, and risk perception are not.

Individual investors do not necessarily act rationally when making investment decisions, as demonstrated by the results, which contradict the principles of classical finance theory.

Prospect theory and heuristics are used to understand other psychological factors affecting the investment decision-making process, as well as how these processes can lead to market volatility. The most effective way to learn about investor behavior is to speak with them directly and extract and interpret their opinions.

As a result, a questionnaire survey approach was used, and conclusions were drawn based on psychological biases as well as other considerations like investment consideration, risk perception, and social factors. The findings revealed significant outcomes, verifying that individual investors' investing environments are consistent with the biases previously reported, since investors are found to be subject to both psychological and cognitive biases that play a pivotal role in their decision-making processes.

Individual investors, on the other hand, do not appear to suffer from an overconfidence bias, according to the study's results. In fact, these investors offer the impression of being wary and uneasy.

In a similar vein, an effort to comprehend the effect of investment consideration and risk perception on individual investors' investment behavior shows that risk perception has no discernible relationship with investment behavior, while investment goals are found to be the most significant determinant of individual investors' investment behavior.
When it comes to investing, financial investors are typically not risk averse and prioritize many factors such as safety, liquidity, flexibility, a good return, capital appreciation, and fund reputation. The goal of investing in a portfolio is to maximize return while minimizing risk.
In addition, for the current study, the impact of social factors such as saving orientation and decision influencers on investment behavior has been established. Individual investor investment behavior was discovered to be highly linked to saving orientation, whereas decision influencers such as peer, family, and other sources had no relationship with individual investor investment behavior The interaction of demographic

and financial behavioral influences in investment decision-making, as well as individual investor investing behavior, is also thoroughly studied. As a result, we come to the conclusion that demographic factors like age, education, and occupation have a substantial effect on individual investors' investing behavior.

CHAPTER 6
SUGGESTIONS

Based on the conclusions reached in the preceding section, the scholar makes various suggestions and recommendations regarding the topic of the study. The culture of saving and investment has not progressed as it should have. Because investment stimulates and fosters economic development and growth, cultivating an investment culture is essential. According to the author, investors should be aware of the facts that influence their investment decisions and to thoroughly examine investment factors using fair business knowledge before making a decision.

They should evaluate all of the factors prevalent in the environment rather than concentrating on only one of them. The Investors must diversify their investments through different industries and avenues available to mitigate risks and other fluctuations and maximize returns by developing a portfolio of investments that goes well with their financial interest as well.

CHAPTER 7
LIMITATIONS OF THE RESEARCH

Despite the fact that this study has been meticulously prepared, there are a few caveats to be aware of:-
1. The current study concentrates on the factors that affect the investment decisions of a single type of investor: individual investors. Professional money managers and institutional investors, on the other hand, are two kinds of investors.
2. Political considerations are not taken into account/consideration.
3. Stocks, fixed deposits, mutual funds, insurance, and post office savings plans were among the few restricted financial investment options examined in this study.
4. Because the study is primarily based on primary data, the study is susceptible to the primary data's intrinsic flaws.
5. Other factors such as mental accounting, anchoring bias, gambler's fallacy, availability bias, and so on exist but are not included in this research. This is due to the fact that all of the dimensions cannot be measured in a single study.

CHAPTER 8
RECOMMENDATION FOR FUTURE RESEARCH

Aside from the literature available around the world and the researcher's suggestions and recommendations, the empirical findings of the current study open up a lot of possibilities for researching investment behavior. Future research on investment behavior must take into account the following opportunities identified by the researcher.
1. The impact of political upheaval should be considered when predicting individual investor investment behavior.
2. Individual investors in a region's investing behavior may be compared to investors in other regions/states/countries using a comparative analysis.
3. Other psychological biases, such as availability bias, should be assessed to determine their impact on investing behavior.
4. When reviewing investment behavior, future researchers should consider financial literacy.
5. Determine individual investors' investment behavior in non-financial market investments, with a focus on real estate.

CHAPTER 9
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